BEFORE THE 1 POLLUTION CONTROL HEARINGS BOARD STATE OF WASHINGTON 2 IN THE MATTER OF 3 JOHNNY C. PITTS, PCHB No. 285-146 Appellant, 5 FINAL FINDINGS OF FACT, v. CONCLUSIONS OF LAW 6 AND ORDER STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY, 7 Respondent.

THIS MATTER, the appeal from Department of Ecology Order No. DE 85-529 ordering appellant to cease surface water diversion from the Okanogan River immediately and ordering appellant to remove a pump within 10 days, came on for hearing before the Pollution Control Hearings Board, Lawrence J. Faulk (presiding), and Wick Dufford, at a formal hearing in Wenatchee, Washington, on April 15, 1986.

Appellant represented himself. Respondent Department of Ecology appeared by Allan T. Miller, Jr., Assistant Attorney General. Court reporter Karen D. Canfield of Moses Lake recorded the proceedings.

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Witnesses were sworn and testified. Exhibits were examined. Fron testimony heard and exhibits examined, the Board makes these

FINDINGS OF FACT

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Respondent Washington Department of Ecology (WDOE) is a state agency charged with the allocation and regulation of surface and ground water usage within the state.

II

Appellant Pitts leases a piece of property from the Douglas County Public Utility District (PUD) in the SW 1/4 NE 1/4 SW 1/4 of Section 17, Township 32, Range 25 L, within the exterior boundaries of the Colville Indian Reservation in Okanogan County. There is a well located on this piece of property and the Okanogan River abuts one boundary of the parcel. The instant controversy involves this well and a surface water diversion from the Okanogan River.

III

The land in question was a part of an allotment held by Harry Charley, a member of the Colville Confederated Tribe, in 1961 when it was leased to Neil and Winnie Walton. The Waltons dug the well and began irrigating the acreage for alfalfa through a sprinkler system using water from the well.

In 1965 the PUD purchased the property in connection with the Well's Dam project and the parcel passed out of Indian ownership. The Waltons continued in possession as lessee's of the PUD and continued to irrigate hay crops from the well until 1975.

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On April 2, 1974, the PUD applied for a ground water permit for withdrawals from the well on the subject property. The WDOE assigned the number G4-22859 to the application. The PUD applied for 400 gallons per minute, 160 acre feet per year for irrigation of forty acres from April 1 to October 31.

V

Sometime in 1974, WDOE adopted a moratorium on processing applications for appropriations within Indian reservations because the agency was involved in law suits dealing with jurisdictional questions over water rights and water allocation in such areas. As a result, they believed they were obliged to hold pending applications and permits in abeyance until the adjudication of these law suits was completed. The PUD's application was included in the moratorium.

VI

In 1976, Mr. Pitts leased the property from the PUD and purchased the pump and sprinkler system from Mr. Walton. The well was experiencing excessive sand which caused the turbine pump to burn up. Therefore, Pitts traded it for a centrifigal pump and placed the new pump in the river, approximately 600 feet away from the well. He testified that he has been irrigating since 1976 by withdrawing water from the Okanogan River.

VII

On February 7, 1984 WDOE, having lifted the moratorium, approved the application of the PUD for withdrawal of ground water from the FINAL FINDINGS OF FACT,

well, and issued permit G4-22859, subject to regulation when predicted minimum flows in the Columbia River fall below specified levels.

VIII

On February 28, 1985, DOE's inspector tried to conduct a proof of appropriation inspection, but owing to snowy conditions coundn't find the well. She did, however, notice the diversion works in the river. After her inspection she asked the PUD what was going on.

IX

On March 5, 1985, the PUD wrote a letter to WDOE explaining that the well in question had been pulling in sand dausing excessive wear Because of this, the letter went on to on the bowls of the pump. indicate that Mr. Pitts was drawing water from the Okanogan River for irrigation purposes.

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On March 18, 1985, WDOE wrote a letter to the PUD stating that drawing water from the Okanogan River was not authorized under the ground water permit issued to the PUD. The letter also indicated that WDOE would not issue a certificate under ground water permit No. G4-22859 until a pump was installed and in use in the well.

XΙ

On May 15, June 4 and June 5, 1985 WDOE personnel drove to the property in question and observed the operation of a sprinkler system utilizing water from a pump station on the Okanogan River.

XII

On July 19, 1985, WDOE issued a regulatory order No. DE 85-529, FINAL FINDINGS OF FACT,

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which provided in pertinent part as follows;

The Department of Ecology is responsible for the supervision of public waters within the state and their appropriation, diversion (withdrawal), storage (dam safety), and use.

Department of Ecology regional staff, while conducting a proof examination, found that the owner and/or lessee, Douglas County PUD and Jack Pitts respectively, developed a surface water diversion for pumping from the Okanogan River. Regional staff observed unauthorized irrigation pumping with the system on May 15, 1985, June 4, 1985, and June 5, 1985 in violation of RCW 90.03.010 and 90.03.250.

IT IS ORDERED THAT Douglas County PUD and Jack Pitts shall, upon receipt of this Order, take appropriate action in accordance with the following instructions:

Cease surface water diversion from the Okanogan River immediately and remove the pump facility from the river within ten (10) days from the date of receipt of this Order

Feeling aggrieved by this order appellant appealed to this Board on August 8, 1985.

XIII

In November of 1985, Mr. Pitts was granted a permit by the Colville Confederated Tribes to withdraw water from the Okanogan River for irrigation of an area which includes the land covered by the permit issued by the state to the PUD. This permit (No. 85-08-07-025) is entitled: "Permit to the Waters of the Colville Indian Reservation."

XIV

Mr. Pitts testified that he believed the waters of the well and FINAL FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER PCHB No. 85-146 5

the waters of the Okanogan River are essentially the same. He said that fluctuations in the river level are directly reflected in the static level of water in the well. WDOE's testimony was that the agency believes there is a direct hydraulic connection between the well and the river. This explains why the agency made withdrawals under the PUD's groundwater permit subject to interruption when specified instream flows are not met. We find that significant hydraulic continuity exists between the well and the river.

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Mr. Pitts is exploring various approaches with WDOE to secure their authorization of his diversion from the river. At the time of issuance of the cease and desist order under appeal (July 19, 1985), there was neither an approved change in point of withdrawal for the PUD's existing ground water permit nor a separate surface water permit for diversion from the river.

XVI

Any approval WDOE might give to a river diversion at this locale would be made subject to established minimum flows for the Okanogan River. If WDOE's authorizations govern, this would mean interruption of the appropriation far more frequently than is likely under the present permit G4-22859 which is conditioned on Columbia River flows.

XVII

Any Conclusion of Law which is deemed a Finding of Fact is hereby adopted as such.

From these Findings of Fact, the Board comes to these

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The groundwater code, Chapter 90.44 RCW, was enacted in 1945. Its purpose is stated in RCW 90.44.020:

This chapter regulating and controlling ground waters of the state of Washington shall be supplemental to chapter 90.03 RCW, which regulates the surface waters of the state, and is enacted for the purpose of extending the application of such surface water statutes to the appropriation and beneficial use of ground waters within the state.

ΙI

The foundation of this state's water law is the principle of priority of rights. The surface water code of 1917 expresses this concept in RCW 90.03.010, as follows:

The power of the state to regulate and control the waters within the state shall be exercised as hereinafter in this chapter provided. Subject to existing rights all waters within the state belong to the public, and any right thereto, or to the use thereof, shall be hereafter acquired only by appropriation for a beneficial use and in the manner provided and not otherwise; and, as between appropriations, the first in time shall be the first in right. (Emphasis added)

III

The Legislature has given WDOE the job of allocating the resource, through the issuance of permits. RCW 90.03.250 in pertinent part, reads as follows:

Any person, municipal corporation, firm, irrigation district, association, corporation or water users' association hereafter desiring to appropriate water for a beneficial use shall make an application to the supervisor of water resources for a permit to make such appropriation, and shall not use or

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divert such waters until he has received a permit from such supervisor as in this chapter provided.

IV

WDOE the Job of likewise, has given the The Legislature, system. under the priority RCW use of water regulating the 43.21.130(3) explicitly requires the agency to "regulate and control the diversion of water in accordance with the rights thereto."

One of the legislatively created tools for carrying out this function is the regulatory order. RCW 43.27A.190 states in pertinent part:

Notwithstanding and in addition to any other powers granted to the department . . . whenever it appears . . . that a person is violating or is about to violate any of the provisions of the following:

- (1) Chapter 90.03 RCW; or
- (2) Chapter 90.44 RCW; or

. . .

(6) Any other chapter or statute the director . is charged with administering . . . the director . . . or an authorized assistant, may cause a written regulatory order to be served upon The order shall specify the said person . of the statute, rule, regulation, provision directive or order alleged to be or about to be violated and the facts upon which the conclusion of violation or potential violation is based, and shall order the act constituting the violation or potential violation to cease and desist or, appropriate cases, shall order necessary corrective action to be taken with regard to such acts within a specific and reasonable time.

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CONCLUSIONS OF LAW AND ORDER

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This case concerns an order issued under the foregoing section. The order cites Mr. Pitts' installation of pumping facilities in the Okanogan River. It states this is in violation of RCW 90.03.010 and 90.03.250. Mr. Pitts is instructed to "Cease surface water diversion from the Okanogan River immediately and remove the pump facility from the river within ten (10) days from the date of receipt of this order."

The violations charged by WDOE relate to the lack of a permit issued pursuant to state law for diversions directly from the river. No one argues that there is, in fact, any such state-issued permission. However, the lack of state authorization does not necessarily make the diversion unlawful. Federal law must also be considered.

VΙ

The applicable federal law has its roots in the so-called <u>Winters</u> doctrine of reserved water rights. <u>Winters v. United States</u>, 207 U.S.564 (1908).

When title to alloted land passes from an Indian to a non-Indian, the appurtenant right to share in tribal reserved waters passes with it. The non-Indian successor receives a priority as of the date of the creation of the Indian reservation to the quantity of water being utilized at the time title passes, plus an amount he puts to beneficial use with reasonable diligence following the transfer of title. See Colville Confederated Tribes v. Walton, 647F.2d 42 (9th Cir. 1981); United States v. Adair, 723 F.2d 1394 (9th Cir. 1983);

United States v. Anderson, 736 F.2d 1358 (1984).

VII

If there is here a right derived from federal law to divert river water through succession to the interest of the Indian allottee, we conclude that such right is an "existing right" which must be recognized and respected by the state under RCW 90.03.010.

VIII

In carrying out its duty to "regulate and control the diversion of water in accordance with the rights thereto," WDOE lacks the authority to adjudicate rights. Where claimed rights have not been adjudicated, or are not evidenced by a state-issued authorization, WDOE must make tentative judgments as to their validity. See, Funk v. Bartholet, 157 Wash. 584, Pac. 1018 (1930); Riddle v. DOE, PCHB No. 77-133 (1978); Brownell v. DOE, PCHB No. 85-135 (1985).

Such a tentative judgment in this case requires evaluation of the likelihood that the surface diversion from the river is authorized by federal law.

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Mr. Pitts argues that he is, in effect, exercising a right derived from an Indian allotee. He points out that he is irrigating lands which were already in irrigation when the land passed from Indian ownership. The only change is in the point of diversion or withdrawal. As to this, he asserts that the change from the well to the river should be of no consequence since the source of the appropriation is essentially the same in either case.

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WDOE argues that Pitts as a lessee lacks standing to raise the issue of successors' rights and, that, in any event, the diversion initiated in 1976 came too late to meet the "reasonable diligence" requirement for unappropriated waters, following transfer out of Indian ownership.

Pitts, thus, views his river diversion as a continuation of a previously exercised right to irrigate. WDOE views it as an attempt to make a new appropriation from a previously unappropriated share of the reserved right which was transferred to the PUD in 1965.

X

We do not agree that Pitts lacks standing to raise the successor-in-interest question. We hold that he has a sufficient personal stake in the controversy, under the facts, to assert the issue as a defense to this enforcement action. If there is a federally derived right here, there is no evidence that there is any impediment to his using it as lessee of the PUD.

XI

We have serious doubts about WDOE's tentative conclusion that the river diversion is not the continuation of the already exercised portion of the reserved right transferred to the PUD.

Under state law, WDOE permission is required to validate a change in point of diversion or withdrawl. RCW 90.03.380, RCW 90.44.100. If significant hydraulic continuity is present, presumably a ground water withdrawal can be changed to a surface water diversion. See RCW 90.44.030, RCW 90.54.020 (8).

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However, nothing brought to our attention shows that there is any comparable approval mechanism required as a condition precedent to a change in point of diversion or withdrawal for the kind of federal-law-based right under discussion.

We suspect that any definitive decision about this matter would make reference to the common law, under which such changes by self help were permissable, absent interference with intervening rights. See In re Alpowa Creek, 129 Wash. 9, 224 Pac.29 (1929). No such interference was shown here.

Finally, we note the issuance of a permit for the river diversion by the Colville Tribe. Although this permit was issued after the WDOE's cease and desist order and although we do not know the precise legal rationale for its issuance, the permit does suggest that the non-existence of a federally derived right for the diversion Mr. Pitts has been making is far from clear and obvious.

XII

In the presence of such ambiguity in the legal situation, we hold that WDOE improperly issued the cease and desist order at issue. Under all the facts and circumstances, the agency was not justified in presuming the illegality of Mr. Pitts diversion.

IIIX

Any Finding of Fact which should be deemed a Conclusion of Law is hereby adopted as such.

From these Conclusions, the Board enters this

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ORDER Department of Ecology Order No. 85-529 is reversed. DATED this 21st day of April, 1986. POLINTION CONTROL HEARINGS BOARD

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Chairman